

TOWN OF RICHLANDS
NORTH CAROLINA

Office of the
Town Administrator
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June 11, 2013

BUDGET MESSAGE

To: Mayor McKinley Smith and the Richlands Board of Aldermen

From: Gregg Whitehead, Town Administrator

Re: The 2013-2014 Fiscal Year Budget Proposal

Introduction

I am pleased to present the balanced, proposed 2013-2014 fiscal year operating budget for the Town of Richlands. As you are aware, the actual departmentalized budget ordinance, complete with fee schedules, will be available for your adoption after the necessary public hearing is held and all line items and rates are agreed upon and finalized. The proposed budget and the information within this summary is a direct result of the budget workshop held on May 8, 2013 and therefore most if not all items discussed in detail should be familiar to you.

The total operating budget proposed for FY 2013-2014 is \$1,177,400 and solely consists of the General Fund. The total operating budget represents a \$101,500 *increase* from the current year's budget, excluding any budget amendments adopted the previous year, and amounts to approximately a 9.43% increase in the overall budget as illustrated in Appendix D. The proposed operating budget of \$1,177,400 is the highest base level General Fund budget to be considered for adoption. The increase can be attributed to several factors including consistent growth in the property tax base (see Appendix B), sales tax growth (see Appendix C) and the use of fund balance in order to purchase departmental capital items needs. I have proposed to *lower* the current tax rate of \$.37 per \$100.00 of total property tax valuation to \$.36 per \$100. Please note that the growth in the budget is not solely a case of an increase in proposed revenues, but also a reflection of the actual cost of services, which do not remain stagnate over time, and the function of the budget is to provide and manage those services. A summary of the General Fund revenues and expenditures is outlined in Appendix A.

Since the 2000 Census, the total population in Richlands has grown 39% and the population increase has a direct correlation to the continuing growth of residential development in Richlands. Since the 2010 Census, the total population has grown 3.09%, with the current population figure at 1,567. Though the new residential developments do place added service

burdens to the town's departments and staff, the consistent population growth has the ability to lessen the impact from the volatility of sales tax revenue caused by the economic downturn while still providing the necessary revenue to maintain a high level of municipal service without having to raise the property tax rate. Revenues are discussed in further detail in a later section of the summary.

Capital Outlay items totaling \$72,326 have been budgeted in the three main departments: The Police Department, the Administration Department and the Public Works Department (see Appendix H). The \$72,326 represents an increase of 18% in requested capital expenditures from last year. However, the capital outlay expenditures signify a substantial investment in capital needs and will allow for the town Departments to continue providing a high level of services to the community. The capital outlay items are also discussed in further detail in a later section of this summary.

Since service delivery is our primary function, I believe I have developed a budget that allows the Town of Richlands to continue to provide a multitude of services at high levels, while being fiscally responsible. In general, I have kept the growth of general expenditures to a low but realistic level. Capital outlay purchases and annual service contracts contribute to the bulk of the expenditure increases. In addition, the rising costs of departmental supplies out of the town's control such as fuel costs, electricity costs, and health insurance premiums also account for increased expenditures. I have attempted to forecast conservative revenue estimates, though the projected revenues in the General Fund are higher than last year due to a projected increase in the anticipated property tax revenue from an expanding tax base.

Please remember that the budget is titled "proposed" and therefore nothing contained herein is permanent. Upon your receiving this proposal, the bulk of my work has been completed. I hope the budget I am proposing meets the priorities and goals of the Board of Aldermen.

Revenues

As illustrated by the chart in Appendix F, the primary source of revenue for the town is by the collection of property tax. The growth in the town's tax base has been consistent though not as high as previous years. The Town's total taxable valuation is approximately \$155 million, a 5% increase from last year and is illustrated in Appendix B. The tax base for Richlands experienced a growth rate of 5% between 2012 and 2013, whereas the average tax base growth rate the last three years has been 17%. The average tax base growth rate since 1998 has been 11%. Please note that 2014 will be a re-evaluation year which can easily result in a spike in the growth rate. With a total tax valuation of approximately \$155,000,000.00, a penny levied equals \$15,500.00 of property tax revenue with a 100% tax collection rate. Since state law requires that municipalities estimate a collection rate equal to or lower than the previous year's rate, I have utilized a conservative 93% collection rate for the FY 2013-2014. Accounting for a 93% collection rate, a tax rate of \$.36 is expected to generate approximately \$515,000 in property tax revenue and the number doesn't include property tax revenue collected from previous years. The revenue derived from sales tax receipts has been strong the past two years. In fact, for the past two years the amount of sales tax revenue received versus the amount budgeted has been significantly higher than previous years (see Appendix C). I have always attempted to budget

conservative sales tax revenue estimates and the proposed budget is no different. I have budgeted a sales tax revenue number that is approximately \$19,000 lower than what the town is expected to receive this current fiscal year. Assuming sales tax revenues stay flat, the loss in sales tax revenue caused by the change in the sales tax distribution method should be accounted for in the budget estimate.

The combination of strong sales tax revenues and the consistent growth in the property tax base from new residential housing has allowed me to propose a penny drop in the tax rate from \$.37 to \$.36 per \$100.00 of taxable valuation and still provide the revenues necessary to provide the core town services, increase staff in one department to perform the core town functions and meet needed departmental capital outlay requests. As a whole, revenue growth is expected to be moderate to high and is certainly budgeted at a higher level than previous years. Revenues by category are illustrated in Appendix E.

While the revenue from the collection of sales tax was once on par with property tax levies, the revenues from sales tax has been outpaced by the growth in property tax revenues since 2002 and now only accounts for 20% of all revenue collected (See Appendix F). The reason is two-fold: The initial loss in population from the 2000 Census combined with significant increases in tax values over the course of three re-evaluations has created a significant revenue disparity between sales tax revenues and property tax revenues. Though not as significant, the method sales tax distribution also plays a factor in the disparity. Since 2009, Onslow County has distributed sales tax based on a 60/40 split between property tax levy (60%) and per capita (40%). As a result of the 2010 property re-evaluation, the real estate market was somewhat corrected and Richlands saw property values go up while the other small towns in the county saw property value decrease. However, with the recent change in the sales tax distribution method to 100% tax levy we are at a noticeable disadvantage in comparison to the other small municipalities in the county. Please note that though sales tax revenues are important the revenue derived from property taxes are more stable and less subject to economic changes.

In determining revenue projections for state collected revenue (Powell Bill Funds, the Wine and Beer Tax and the Utilities Franchise Tax), I rely heavily on the estimates established by the N.C. League of Municipalities and known trends. The revenue received from the state collected revenue (Powell Bill Funds, the Wine and Beer Tax and the Utilities Franchise Tax), is based on the town's population, though Powell Bill funding is also a product of the amount of miles in the town street system. Town population (1567) increased by 46 people from last year so no significant revenue increase in any revenue based on population can be expected. Based on the League research, Powell Bill funding will increase to approximately \$47,000, which is \$1,000 more than last year. Please note that almost 70% of Powell Bill funding is based on the population. I was able to project slight increases in the revenues received from the Cable Franchise and Utilities Franchise Tax, though the increase percentages are in the single digits.

\$1,000 is budgeted for State grant funds available for mosquito control operation in the proposed budget and \$24,200 in fund balance is budgeted to cover the purchase of a patrol vehicle and eliminate the need for an additional lease purchase payment for future fiscal years. The 2004 Chevrolet Impala will be declared surplus property and sold by internet auction.

I am not proposing any changes in the Planning and Development fees or rental fees for the Community Building. Also, no changes are proposed to the solid waste collection fees though changes in the Waste Industries solid waste collection contract to help provide greater recycling benefits are in effect. The proposed fee increases are listed in the attached 2013-2014 Fiscal Year Fee Schedule.

Expenditures

For the 2013-2014 fiscal year the town will incur \$109,150 in obligated expenditures for capital items and installment purchase payments. The Public Safety Department will be purchasing a new Dodge Charger patrol vehicle to replace the patrol car that was lost in an accident earlier in the year. \$4,200 in funds is budgeted in the Administration Department for the implementation of a paperless agenda system, which will be a recurring cost as long as we utilize the software system provided by NovusAGENDA. In addition, I am budgeting \$5,165 to install safety code locks on five doors at town hall. In the Public Works Department \$5,700 is being budgeted in recurring costs for the contracting of the town's street sweeping needs and I propose to surplus the town's old street sweeper and sell by electronic auction. A chart describing the recurring departmental expenditures over a ten year period can be found at Appendix I. Please note that the town hall debt will be paid off next year.

As mentioned in an earlier section of this budget message, a total of \$72,326 in Capital Outlay items has been budgeted for 2013-2014, which represents less than 1% of the General Fund budget. The purchase of capital items to meet departmental needs is the greatest contributing factor to the increase in budgeted expenditures. A summary of the capital outlay requests for all departments is provided in Appendix H. The total Powell Bill expenditures are budgeted at \$105,000, which accounts for the \$50,000 in sidewalk construction. An additional \$32,000 in Powell Bill funds will be utilized to cover the street improvement debt. The remaining \$16,000 is available to the Public Works Department for routine street maintenance needs. In addition, no Powell Bill funds are to be used to cover the salaries of the Public Works Department.

I have budgeted \$5,000 in funds for improvements to Venters Park including the creation of a dog park section and \$2,000 is budgeted to contribute to downtown façade improvement efforts. \$3,000 in funds are budgeted for the 2013 municipal election costs and Departmental operating costs are not expected to change significantly except for the cost of health insurance premiums which will increase approximately 13% in 2013. However, the town's general liability insurance premiums are expected to be marginally lower this year. The annual contract fee for fire protection by the Richlands Volunteer Fire Department is proposed to remain at \$25,000. Overall, I have attempted to budget departmental expenditures at a conservative yet realistic level in order to ensure that town can provide a high level of service to the community. The cost breakdown for each department is highlighted in Appendix G.

Personnel Costs

Since people do the bulk of the town work, salaries and benefits account for 50% of the General Fund budget. Due to a slow economic recovery and the increasing of basic living expenses, I am proposing a modest 3% Cost of Living Adjustment (COLA) for all full-time employees. The

Consumer Price Index average for 2011 was 2.9%. The proposed 3% COLA will account for an additional \$11,455 over current payroll costs. In addition I have budgeted funds to allow for up to 2% in merit increases. The 401(k) employer contribution for all full-time personnel (excluding police officers) will remain at 3%. The town is already required by law to provide a 5% 401(k) employer contribution for police officers. \$5,000 has been budgeted for the annual experience/holiday bonuses. No new full-time staff positions are being proposed for any department however I am budgeting funds to provide 2 part-time positions for the Public Safety Department to utilize at the discretion of the Chief of Police.

Salaries for the Mayor and Board of Aldermen have not changed and are budgeted at the following levels:

Mayor	\$2,016
Mayor Pro-tem	\$1,701
Aldermen	\$1,323

Sanitation

I am proposing to maintain the current residential solid waste user fee of \$11.25 per household per month. The change in July 2012 to provide 65 gallon recycling carts to all households in Richlands will increase the annual contract amount from \$9.98 to \$10.18 per household per month for the 2013-2014 fiscal year which is a 2% increase. The switch to the 65 gallon recycling carts has increased the recycling tonnage the past 10 months by almost 42% and has resulted in over 25 less tons being placed in the landfill. The increase in recycling tonnage equals an annual savings of approximately \$1,300 per year. However, please note that recycling materials normally weigh less than regular solid waste. Since I am proposing that the customer fee remain the same, the majority of the landfill costs will have to be covered by the General Fund. However, by increasing the recycling tonnage we can reduce landfill costs and overtime the savings will help offset the added cost of the contract.

Buildings and Grounds

I am not proposing any changes to the rental fees for the Community Building in 2013-2014. The Help Building was formerly owned by Help, Inc, a group established by the local chapter of Alcoholics Anonymous, and deeded to the town in April 2002. Though the building is a simple concrete block structure, the building is in need of considerable repair to the roof and HVAC system in order to keep the building in a useable state. The town does not actually have a need or use for the building, rather the building is maintained for public use and is currently utilized by three organizations: the local AA group, the Richlands Ruritan Club, and the Woodmen of the World. The agreement and deed that was signed in 2002 does require that the property be available "for the benefit of the citizens" until April 2022 or until no local AA support group exists in the Richlands area, which ever occurs first. The Liberty Center still intends on acquiring and maintaining the building as a public use this year. Therefore, no funds have been placed in the proposed budget to renovate or fix the building.

Other Projects

The town will be involved in one construction project that will be budgeted separately from the General Fund but needs to be noted. The projects will be budgeted by using stand-alone capital project ordinances, which allow the town to budget a project over more than one fiscal year. \$50,000 in funds will be appropriated to build a sidewalk from the intersection of Wilmington Street and Franck Street to the intersection of Wilmington Street and Highway 24/258, all on the side of the Onslow County Museum and Library.

Conclusion

I firmly believe that the proposed budget will meet the citizen demand for efficient and effective municipal services without compromising the fiscal integrity of the Town, as well as meeting the funding priorities of the Board as established at the Budget Workshop. I have included a complete fee schedule and other appendices for your review. Please feel free to contact me any time at your convenience if you have any questions regarding the proposed budget.

TOWN OF RICHLANDS
NORTH CAROLINA



ORDINANCE TO ADOPT THE ANNUAL BUDGET

- WHEREAS,** Section 159-8 of the Local Government Budget and Fiscal Control Act requires that every local government shall operate under an annual balance budget ordinance; and
- WHEREAS,** For purposes of this act, a budget is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations; and
- WHEREAS,** This act requires that any service fund of a local government be operated according to a financial plan submitted to and approved by the Board of Aldermen;

NOW THEREFORE BE IT ORDAINED that the Board of Aldermen of the Town of Richlands hereby adopts this budget ordinance and the attached budgets for the General Fund Departments in support thereof. Furthermore, the Board of Aldermen finds that:

In the General Fund:

Revenues Anticipated

Property Taxes - Current Year	\$515,000
Property Taxes - Previous Years	\$9,500
State Sales Tax	\$253,000
State Collected Local Revenues	\$114,500
Powell Bill Revenues	\$47,000
Local Revenues	\$193,200
Grants, Contracts & Other Revenues	\$21,000
Fund Balance Appropriated	<u>\$24,200</u>
Total	\$1,177,400

Operating Appropriations

Governing Body	\$91,100
Administration	\$231,800
General Buildings & Grounds	\$22,800
Police Department	\$408,600
Streets Department	\$398,100
Fire Department Contribution	<u>\$25,000</u>
Total	\$1,177,400

The Ad Valorem tax rate shall be \$0.36 per \$100.00 of assessed valuation.

The Town Administrator, or in his absence the Finance Officer, is hereby appointed Budget Officer and is authorized to transfer appropriations within a fund as contained herein under the following guidelines:

1. Monies may not be transferred between funds except as has been designated by the budget documents or in accordance with generally accepted accounting principles and any laws respecting same and with the approval of the Board of Aldermen;
2. Any transfer of funds between departments shall only be done with the approval of the Board of Aldermen;
3. The Town Administrator shall be authorized to make budget amendments to line items within a department up to \$2,500.00, provided that any such budget amendments and the justifications for such budget amendments shall be presented to the full board at the next regularly scheduled meeting after the amendment occurs;
4. The Town Administrator shall be authorized to approve expenditures up to and including \$2,500.00 and all expenditures exceeding \$2,500.00 shall be presented to the Board of Aldermen for approval.

Copies of this ordinance and the attached budget shall be maintained in the office of the Town Clerk of the Town of Richlands, and shall be made available for public inspection.

Be it ordained this the 25th day of June, Two Thousand and Thirteen.

Doreen Putney, Town Clerk

McKinley Smith, Mayor

GL Account/Description	Current	Actual	Prior Year	Estimated	Requested	Recommended	Approved
10-301-0100 TAXES - AD VALOREM CURR	500,000	520,063.30	481,971.96			515,000.00	
10-301-0200 TAXES - AD VALOREM PRIO	5,000	12,034.25	9,504.76			5,000.00	
10-301-0300 TAXES - AD VALOREM 2ND	1,000	3,999.02	2,521.89			2,000.00	
10-301-0400 TAXES - AD VALOREM ALL	500	1,243.12	1,780.94			500.00	
10-312-0000 REFUNDS PAID - AD VALOR	0	(665.23)	(592.33)				
10-317-0000 TAX PENALTIES & INTERES	2,000	3,081.27	3,356.50			2,000.00	
10-325-0000 PRIVILEGE LICENSES	500	460.00	590.00			500.00	
10-328-0100 CABLE TV FRANCHISE	18,000	15,376.69	19,449.42			19,000.00	
10-329-0000 INTEREST EARNED/INV	0	0.00	0.00				
10-329-0100 INTEREST EARNED - BANK	500	317.39	374.02			500.00	
10-329-0200 POWELL BILL INTEREST	0	0.00	0.00				
10-331-0000 RENT & CONCESSIONS	6,000	4,535.00	2,700.00			5,000.00	
10-331-0100 GTE LEASE	6,500	6,338.70	7,606.44			6,500.00	
10-331-0200 ONWASA RENT	35,000	29,166.66	35,000.00			35,000.00	
10-335-0000 MISCELLANEOUS REVENUES	3,000	11,088.23	9,459.73			3,000.00	
10-335-0100 MISC (PARK PATROL)	9,300	9,588.00	9,318.36			9,500.00	
10-335-0200 MISC (NARCOTICS ENFORCE	500	604.29	704.26			500.00	
10-336-0000 DONATIONS FROM PRIVATE	0	0.00	0.00				
10-337-0000 UTILITIES FRANCHISE TAX	88,000	69,911.44	88,887.89			89,000.00	
10-341-0000 WINE & BEER TAX	4,000	0.00	6,590.07			6,500.00	
10-343-0000 POWELL BILL REVENUES	46,000	49,386.20	46,930.65			47,000.00	
10-345-0100 ARTICLE 40 SALES TAX (48,000	48,391.01	50,870.52			55,000.00	
10-345-0200 ARTICLE 42 SALES TAX (1	42,000	46,405.34	46,556.93			52,000.00	
10-345-0300 SALES TAX (ONSLow)	0	0.00	0.00				
10-345-0400 ARTICLE 44 SALES TAX (N	42,000	42,979.27	47,454.49			48,000.00	
10-345-0500 ARTICLE 39 SALES TAX (1	82,000	89,587.65	90,092.70			98,000.00	
10-347-0000 ABC REVENUES	25,000	22,369.00	25,494.00			28,000.00	

GL Account/Description	Current	Actual	Prior Year	Estimated	Requested	Recommended	Approved
10-348-0100 STATE GOVT. GRANTS-MOSQ	1,000	0.00	1,981.96			1,000.00	
10-348-0200 STATE GRANTS - CRIME CO	0	0.00	0.00				
10-348-0300 STATE GRANT - DOT	0	0.00	0.00				
10-349-0100 FED. GOVT. GRANTS - COP	0	0.00	0.00				
10-349-0200 FEMA REIMBURSEMENT	0	0.00	47,649.82				
10-350-0000 TSA GRANT	0	0.00	0.00				
10-351-0000 COURT COSTS, FEES & CHA	4,000	4,414.50	3,766.50			4,000.00	
10-351-0100 Ordinance Violations Fe	0	650.00	310.05			100.00	
10-352-0000 PARKING VIOLATION FEES	100	0.00	0.00			100.00	
10-355-0000 BUILDING PERMITS	5,000	5,850.00	6,335.00			4,000.00	
10-357-0000 INSPECTION FEES	0	0.00	0.00				
10-359-0000 GARBAGE COLLECTION FEES	94,000	93,738.70	108,526.18			110,000.00	
10-367-0100 NC SALES TAX REFUNDS	3,000	2,110.74	2,705.75			2,500.00	
10-367-0200 NC GAS TAX REFUNDS	2,000	0.00	0.00			2,000.00	
10-382-0000 SALE OF ASSETS	2,000	9,703.23	300.00			2,000.00	
10-391-0100 REIMBURSEMENT - WATER F	0	0.00	0.00				
10-391-0200 REIMBURSEMENT - SEWER F	0	0.00	0.00				
10-394-0000 APPROPRIATED FUND BALAN	0	0.00	0.00			24,200.00	
10-398-0000 Proceeds Frm Installmt	0	52,817.41	0.00				
10-399-0000 FUND BALANCE APP	54,000	0.00	0.00				
10-650-3401 POWELL BILL - CURRENT Y	0	0.00	0.00				
10-650-3402 POWELL BILL - SURPLUS	0	0.00	0.00				
10-700-0000 TRANSFER TO CAPITAL PRO	0	0.00	0.00				
Total Revenues	1,129,900	1,155,545.18	1,158,198.46			1,177,400.00	

GL Account/Description	Current	Actual	Prior Year	Estimated	Requested	Recommended	Approved
10-410-0000 GOVERNING BODY	0	0.00	0.00				
10-410-0100 TOWN OFFICIALS	9,100	6,756.75	8,001.00			9,100.00	
10-410-0200 EXPERIENCE BONUS	5,000	4,679.00	4,719.00			5,000.00	
10-410-0300 INCENTIVE BONUS	0	0.00	0.00				
10-410-0400 ATTORNEY FEES	10,000	8,026.00	9,988.00			10,000.00	
10-410-0500 FICA	800	517.02	612.24			800.00	
10-410-0550 AUDITOR	12,000	12,150.00	10,600.00			12,000.00	
10-410-1000 TRAINING	4,000	1,138.00	1,936.88			3,000.00	
10-410-1400 TRAVEL	1,500	475.78	1,002.42			1,200.00	
10-410-4500 CONTRACTED SERVICES	3,500	2,371.90	1,536.51			3,000.00	
10-410-5300 DUES & SUBSCRIPTIONS	2,000	1,143.00	2,419.00			3,000.00	
10-410-5400 INSURANCE & BONDS	36,000	39,076.00	35,218.37			37,000.00	
10-410-5700 MISCELLANEOUS EXPENSES	8,000	4,203.38	5,004.62			7,000.00	
10-410-7500 CAPITAL OUTLAY NEW TOWN	0	0.00	0.00				
10-410-9000 DONATIONS / GRANTS	0	0.00	0.00				
10-410-9100 CDBG CONTRIBUTION	0	0.00	0.00				
****GOVERNING BODY Totals	91,900	80,536.83	81,038.04			91,100.00	

GL Account/Description	Current	Actual	Prior Year	Estimated	Requested	Recommended	Approved
10-420-0000 ADMINISTRATION	0	0.00	0.00				
10-420-0200 SALARIES & WAGES	127,500	116,658.67	123,757.57			130,000.00	
10-420-0400 PROFESSIONAL SERVICES	0	0.00	0.00				
10-420-0500 FICA EXPENSE	9,800	9,020.20	9,554.17			10,000.00	
10-420-0600 GROUP HEALTH INSURANCE	13,000	13,341.32	14,392.14			16,000.00	
10-420-0700 RETIREMENT	8,600	7,947.44	8,592.50			9,500.00	
10-420-0800 401(K)	3,100	3,537.42	3,468.84			3,500.00	
10-420-1000 TRAINING	4,000	1,313.40	4,001.74			4,500.00	
10-420-1100 TELEPHONE & POSTAGE	4,000	3,272.42	3,210.78			3,500.00	
10-420-1200 PRINTING & PUBLISHING	600	164.80	116.97			500.00	
10-420-1300 UTILITIES	5,200	5,826.36	5,797.21			6,000.00	
10-420-1400 TRAVEL	2,500	3,618.88	3,055.98			3,200.00	
10-420-1500 MAINTENANCE - BUILDINGS	500	554.00	155.07			500.00	
10-420-1600 MAINTENANCE - EQUIPMENT	500	459.98	0.00			500.00	
10-420-1700 MAINTENANCE - AUTOS	1,000	0.00	358.00			1,000.00	
10-420-2600 ADVERTISING	2,500	3,270.32	1,185.95			2,000.00	
10-420-3100 AUTO SUPPLIES	500	0.00	39.26			200.00	
10-420-3200 OFFICE SUPPLIES	1,500	1,075.33	1,318.20			1,300.00	
10-420-3300 DEPARTMENTAL SUPPLIES	1,500	1,135.95	1,597.04			1,500.00	
10-420-3400 OTHER SUPPLIES	0	0.00	0.00				
10-420-3700 NC SALES TAX	400	157.98	197.24			300.00	
10-420-4000 ONSLOW COUNTY SALES TAX	200	78.02	93.08			400.00	
10-420-4100 TAX COLLECTION FEE	5,000	5,630.21	5,349.76			5,500.00	
10-420-4500 CONTRACTED SERVICES	18,000	19,541.28	8,854.66			21,000.00	
10-420-5300 DUES & SUBSCRIPTIONS	3,000	3,633.43	1,464.64			3,500.00	
10-420-5400 INSURANCE	200	0.00	0.00			200.00	
10-420-5700 MISCELLANEOUS EXPENSE	500	792.73	646.24			500.00	

GL Account/Description	Current	Actual	Prior Year	Estimated	Requested	Recommended	Approved
10-420-7200 CAPITAL OUTLAY - BUILDI	2,500	201.39	0.00			5,200.00	
10-420-7400 CAPITAL OUTLAY - EQUIPM	0	0.00	500.00			1,500.00	
10-420-9400 DEBT SERV. - COMP. SYS.	0	0.00	0.00				
**** ADMINISTRATION Totals	216,100	201,231.53	197,707.04			231,800.00	

GL Account/Description	Current	Actual	Prior Year	Estimated	Requested	Recommended	Approved
10-500-0000 PUBLIC BUILDINGS	0	0.00	0.00				
10-500-1100 TELEPHONE	400	232.10	278.52			300.00	
10-500-1300 UTILITIES	4,500	4,199.56	3,701.93			4,000.00	
10-500-1500 MAINTENANCE - BUILDINGS	1,000	1,564.18	996.19			1,200.00	
10-500-1600 MAINTENANCE - EQUIPMENT	500	1,721.85	317.31			300.00	
10-500-3300 DEPARTMENTAL SUPPLIES	300	453.17	269.81			300.00	
10-500-4500 CONTRACTED SERVICES	100	14.25	14.25			100.00	
10-500-5700 MISCELLANEOUS EXPENSE	100	300.94	71.22			100.00	
10-500-7300 CAPITAL OUTLAY - OTHER	0	0.00	0.00				
10-500-7400 CAPITAL OUTLAY - EQUIPM	500	500.00	0.00				
10-500-7500 PARK PROJECT	2,000	1,116.87	1,019.06			5,000.00	
10-500-7600 TOWN HALL OUTLAY	7,800	7,766.67	8,133.34			7,500.00	
10-500-9400 COMMUNITY BLDG DEBT SER	4,000	2,006.71	0.00			4,000.00	
****PUBLIC BUILDINGS Totals	21,200	19,876.30	14,801.63			22,800.00	

GL Account/Description	Current	Actual	Prior Year	Estimated	Requested	Recommended	Approved
10-510-0000 POLICE / PUBLIC SAFETY	0	0.00	0.00				
10-510-0200 SALARIES & WAGES	186,700	183,312.11	179,106.00			188,000.00	
10-510-0500 FICA EXPENSE	14,500	14,163.91	13,864.65			15,000.00	
10-510-0600 GROUP HEALTH INSURANCE	33,000	34,707.27	40,795.92			46,500.00	
10-510-0700 RETIREMENT	13,500	12,285.58	12,433.62			13,500.00	
10-510-0800 401(K)	9,500	8,622.64	8,121.12			9,300.00	
10-510-1000 TRAINING	1,200	0.00	82.39			1,200.00	
10-510-1100 TELEPHONE & POSTAGE	6,400	5,874.39	5,806.16			6,000.00	
10-510-1200 PRINTING & PUBLISHING	200	0.00	173.91			200.00	
10-510-1300 UTILITIES	5,500	5,826.29	5,797.13			5,600.00	
10-510-1400 TRAVEL	600	227.39	696.48			600.00	
10-510-1500 MAINTENANCE - BUILDINGS	200	254.00	176.50			200.00	
10-510-1600 MAINTENANCE - EQUIPMENT	2,000	2,048.30	2,003.12			2,000.00	
10-510-1700 MAINTENANCE - AUTOS	5,000	6,064.77	8,978.56			4,500.00	
10-510-2600 ADVERTISING	0	0.00	0.00				
10-510-3100 AUTO SUPPLIES	18,000	17,676.20	15,806.39			18,000.00	
10-510-3200 OFFICE SUPPLIES	800	1,271.98	510.14			1,000.00	
10-510-3300 DEPARTMENTAL SUPPLIES	3,500	2,205.02	4,940.26			3,500.00	
10-510-3500 LAUNDRY / DRY CLEANING	300	0.00	0.00			100.00	
10-510-3600 UNIFORMS	4,000	2,532.56	2,076.34			4,000.00	
10-510-3700 NC SALES TAX	1,000	919.82	615.56			1,000.00	
10-510-4000 ONSLOW COUNTY SALES TAX	500	652.66	286.26			700.00	
10-510-4500 CONTRACTED SERVICES	11,000	16,106.23	11,673.52			12,000.00	
10-510-5300 DUES & SUBSCRIPTIONS	100	112.00	100.00			200.00	
10-510-5400 INSURANCE	0	0.00	0.00				
10-510-5700 MISCELLANEOUS EXPENSE	1,000	890.90	4,484.89			1,000.00	
10-510-7200 CAPITAL OUTLAY - BUILDI	0	0.00	0.00				

GL Account/Description	Current	Actual	Prior Year	Estimated	Requested	Recommended	Approved
10-510-7400 CAPITAL OUTLAY - EQUIPM	37,500	36,487.90	2,805.58			60,500.00	
10-510-7900 PROJECTS	500	0.00	0.00			500.00	
10-510-9000 SAFETY GRANTS/DONATIONS	0	0.00	0.00				
10-510-9100 DUE TO RICHLANDS VFD	0	0.00	0.00				
10-510-9400 DEBT SERVICE - AUTO LEA	13,800	5,585.48	5,585.48			13,500.00	
****PUBLIC SAFETY Totals	370,300	357,827.40	326,919.98			408,600.00	

GL Account/Description	Current	Actual	Prior Year	Estimated	Requested	Recommended	Approved
10-530-0000 FIRE DEPT	0	0.00	0.00				
10-530-1300 UTILITIES	0	0.00	0.00				
10-530-7200 CAPITAL OUTLAY BLDG	0	0.00	0.00				
10-530-7400 CAPITAL OUTLAY-EQUIP (P	0	0.00	0.00				
10-530-7500 CONTRIBUTION/FIRE DEPT	25,000	25,000.00	25,000.00			25,000.00	
****FIRE PROTECTION Totals	25,000	25,000.00	25,000.00			25,000.00	

GL Account/Description	Current	Actual	Prior Year	Estimated	Requested	Recommended	Approved
10-560-0000 STREETS	0	0.00	0.00				
10-560-0200 SALARIES & WAGES	94,000	86,483.10	89,866.18			98,000.00	
10-560-0400 PROFESSIONAL SERVICES	500	0.00	0.00			500.00	
10-560-0500 FICA EXPENSE	7,500	6,737.83	6,986.64			7,500.00	
10-560-0600 GROUP HEALTH INSURANCE	24,000	21,214.02	25,029.66			24,000.00	
10-560-0700 RETIREMENT	6,400	5,936.25	6,283.34			6,900.00	
10-560-0800 401(K)	2,800	2,642.30	2,535.10			3,000.00	
10-560-1000 TRAINING	300	135.00	288.00			300.00	
10-560-1100 TELEPHONE & POSTAGE	1,500	1,714.12	1,779.21			1,500.00	
10-560-1200 PRINTING & PUBLISHING	100	0.00	0.00			100.00	
10-560-1300 UTILITIES	20,000	22,523.10	24,163.93			22,000.00	
10-560-1400 TRAVEL	100	0.00	5.00			100.00	
10-560-1500 MAINTENANCE - BUILDING	200	0.00	0.00			200.00	
10-560-1600 MAINTENANCE - EQUIPMENT	4,500	767.75	1,373.82			2,000.00	
10-560-1700 MAINTENANCE - AUTOS	3,000	959.99	2,513.41			2,000.00	
10-560-2600 ADVERTISING	100	241.94	0.00			100.00	
10-560-3100 AUTO SUPPLIES	8,500	7,819.22	8,842.50			9,000.00	
10-560-3200 OFFICE SUPPLIES	200	18.33	0.00			200.00	
10-560-3300 DEPARTMENTAL SUPPLIES	2,000	1,510.86	2,676.16			2,000.00	
10-560-3400 POWELL BILL SUPPLIES	55,000	15,388.22	21,373.80			55,000.00	
10-560-3500 LAUNDRY / DRY CLEANING	2,000	2,314.50	1,993.89			2,200.00	
10-560-3600 UNIFORMS / SAFETY EQUIP	500	334.85	299.85			500.00	
10-560-3700 NC SALES TAX	800	570.41	691.99			800.00	
10-560-3800 SIGN REPLACEMENT	1,000	0.00	237.42			1,000.00	
10-560-4000 ONSLOW COUNTY SALES TAX	400	253.13	324.67			400.00	
10-560-4400 CONTRACT SERVICE - WAST	85,000	90,500.54	74,314.67			100,000.00	
10-560-4500 CONTRACTED SERVICES	2,000	5,351.00	46,454.88			7,800.00	

GL Account/Description	Current	Actual	Prior Year	Estimated	Requested	Recommended	Approved
10-560-5400 INSURANCE	200	0.00	0.00			200.00	
10-560-5700 MISCELLANEOUS EXPENSE	500	117.00	18.66			500.00	
10-560-7200 MAINT & REPAIR BLDG	0	0.00	0.00			100.00	
10-560-7300 CAPITAL OUTLAY - OTHER	0	0.00	0.00				
10-560-7400 CAPITAL OUTLAY - EQUIPM	33,400	34,559.15	4,056.17			2,400.00	
10-560-9100 ONSLOW COUNTY TIPPING F	30,000	30,293.59	36,645.90			36,000.00	
10-560-9200 SUPPLIES MOSQUITO CONTO	800	41.35	0.00			800.00	
10-560-9201 INS SAFETY GRANT	0	0.00	0.00				
10-560-9300 FEMACULVERT PIPE	0	0.00	0.00				
10-560-9400 DEBT SERVICE - AUTO LEA	18,100	7,221.31	7,221.31			11,000.00	
****STREETS Totals	405,400	345,648.86	365,976.16			398,100.00	

GL Account/Description	Current	Actual	Prior Year	Estimated	Requested	Recommended	Approved
10-650-0300 WAGES - TEMP.	0	0.00	0.00				
10-650-0400 ENGINEERING	0	0.00	0.00				
10-650-3300 MATERIALS	0	0.00	0.00				
10-650-4501 CONST. - 94STREET PROJE	0	0.00	0.00				
10-650-4502 CONST. - 95STREET PROJE	0	0.00	0.00				
10-650-7400 CAPITAL OUTLAY - EQUIPM	0	0.00	0.00				
****Department 650 Totals	0	0.00	0.00				

GL Account/Description		Current	Actual	Prior Year	Estimated	Requested	Recommended	Approved
10-660-0100	Contribution - Park Pro	0	0.00	0.00				
****	Department 660 Totals	0	0.00	0.00				

GL Account/Description	Current	Actual	Prior Year	Estimated	Requested	Recommended	Approved
**Total Expenditures for Fund: 10	1,129,900	1,030,120.92	1,011,442.85			1,177,400.00	
**Revenues Over/(Under) Expenditures	0	125,424.26	146,755.61				

GL Account/Description	Current	Actual	Prior Year	Estimated	Requested	Recommended	Approved
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2013-2014 FISCAL YEAR FEE SCHEDULE

The following table summarizes the fee schedule the Town of Richlands charges various fees for several of the services that are provided. These fees are charged in order to recover the cost of providing a service and replacing assets that are consumed by municipal activities.

<u>Fee Type</u>	<u>Fee Schedule</u>
Property Tax Rate	\$.36/\$100 assessed valuation
Business Privilege Licenses	\$10.00 as permitted by law
Community Building Rent	\$250.00 per day with \$100 deposit
Town Hall Board Room	\$30.00 per day
Garbage Service	
residential, per cart	\$11.25 per month
commercial, 1 cart	\$11.25 per month
commercial, 2 carts	\$23.00 per month
commercial, 3 carts	\$34.00 per month
Bulky Item Pickup	\$10.00 per item permitted
Copies	\$.10 per page
Golf Cart Registration	\$25.00 Annually
Police Reports	\$5.00 per report copy
Applicant Fingerprint Requests	\$15.00 per request
VIN # Verification	\$25.00 per verification
Zoning Permit (Residential)	\$65.00
Zoning Permit (Commercial)	\$90.00
Zoning Verification Letter	\$10.00
Flood Verification	\$10.00
Flood Development Permit	\$200.00
Rezoning Application (Map)	\$350.00
Rezoning Application (Text)	\$250.00
Conditional Use Application	\$250.00
Variance Request	\$450.00
Subdivision Plan Review	
10 Lots or Less	\$50.00
11 – 50 Lots	\$100.00
50 + Lots	\$200.00
Minor Subdivision Approval	\$50.00
Sign Permit	
Wall Mounted	\$100.00
Free Standing	\$200.00
Minimum Residential Planning Fee	\$75.00
Minimum Commercial Planning Fee	\$100.00

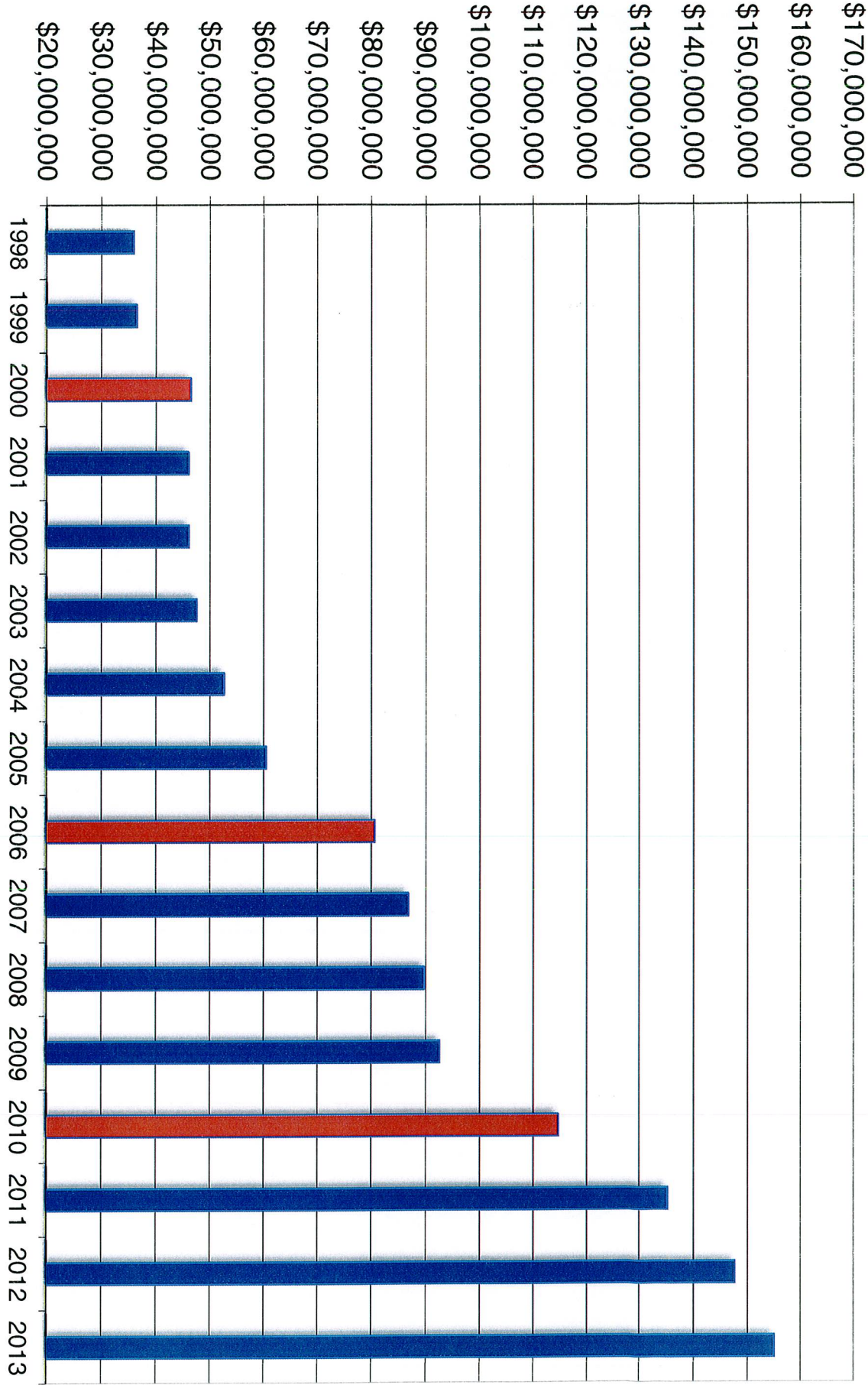
APPENDIX A

**2013-2014 Budget
Revenue & Expenditure Summary**

• GENERAL FUND REVENUES	
• Property Tax (including penalties and interest)	\$524,500
• Rent & Lease	\$46,500
• Miscellaneous & Other	\$6,000
• Sales Tax	\$253,000
• Sales Tax Refunds	\$4,500
• State Collected Revenues	\$114,500
• Powell Bill Funds	\$47,000
• ABC Revenues	\$28,000
• Grant Funds	\$1,000
• Contracted Services	\$9,500
• Permits, Fees & Penalties	\$8,700
• Garbage Collection Fees	\$110,000
• Fund Balance	\$24,200
Total	\$1,177,400
• GENERAL FUND EXPENDITURES	
• Governing Body	\$91,100
• Administration	\$231,800
• Buildings	\$22,800
• Police	\$408,600
• Fire	\$25,000
• Streets	\$398,100
Total	\$1,177,400
• Revenues Over/(Under) Expenditures	\$0

APPENDIX B

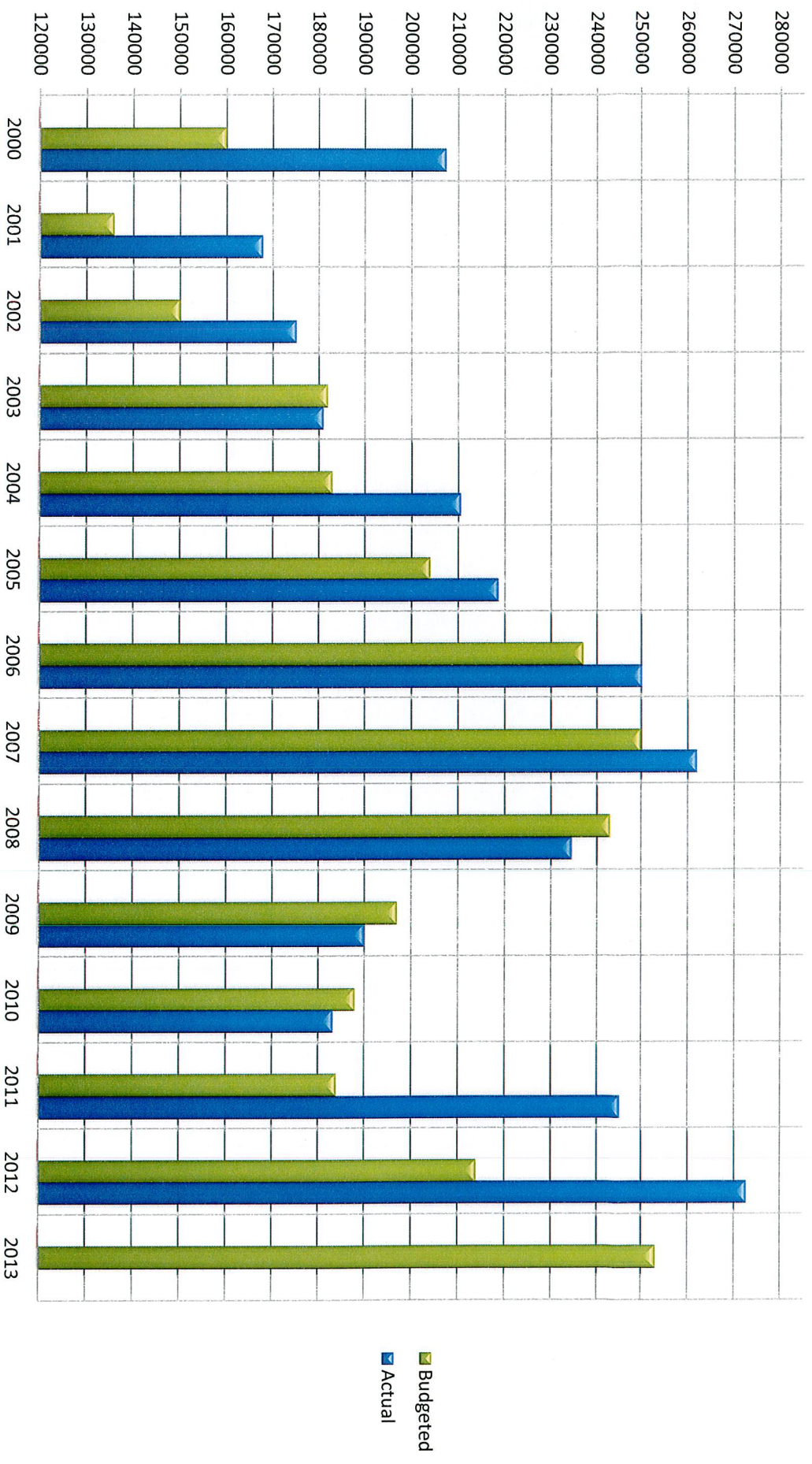
Property Tax Values Since 1998



** The red bars indicate a re-evaluation year

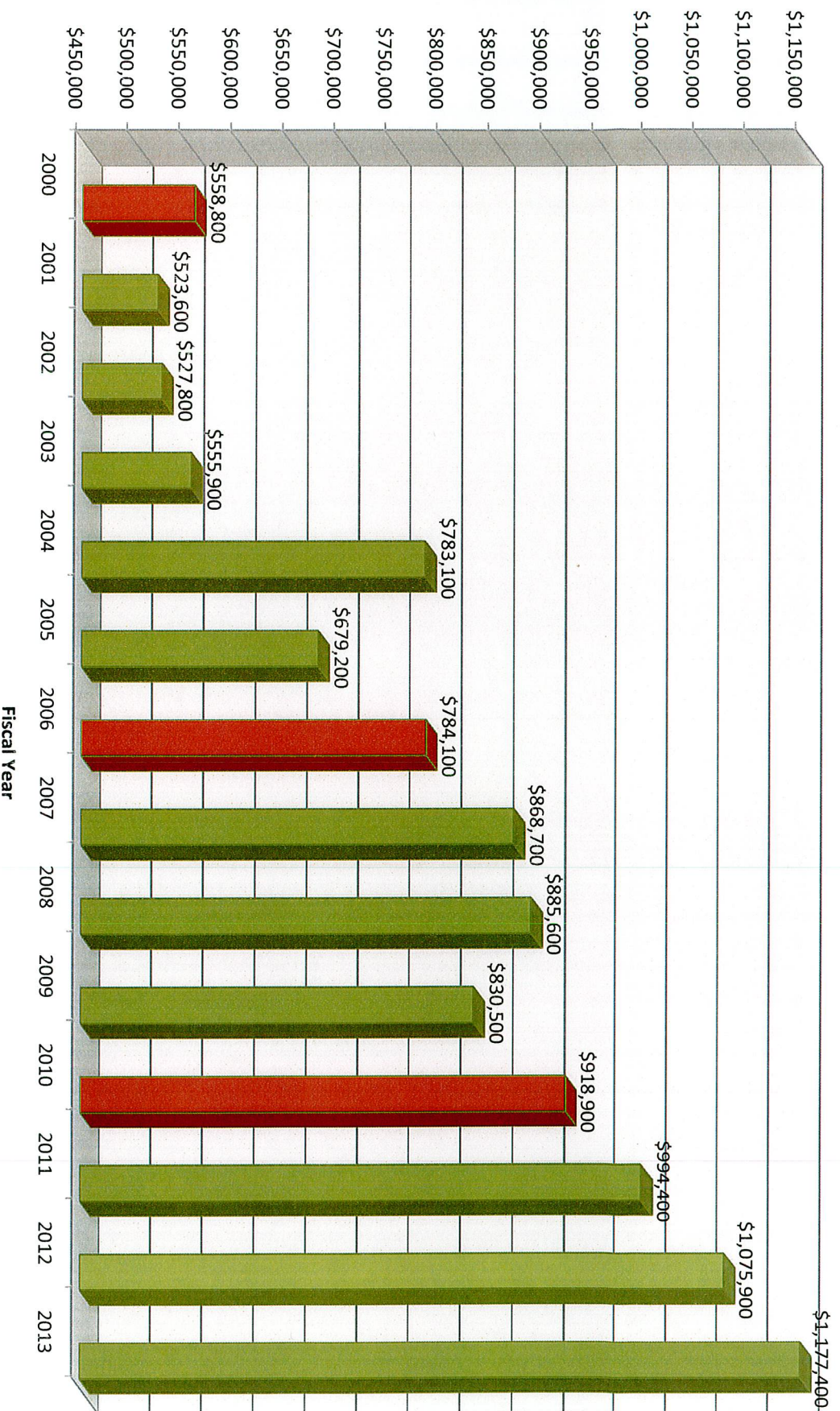
APPENDIX C

Sales Tax Revenue Totals Since 2000 Budget versus Actual



APPENDIX D

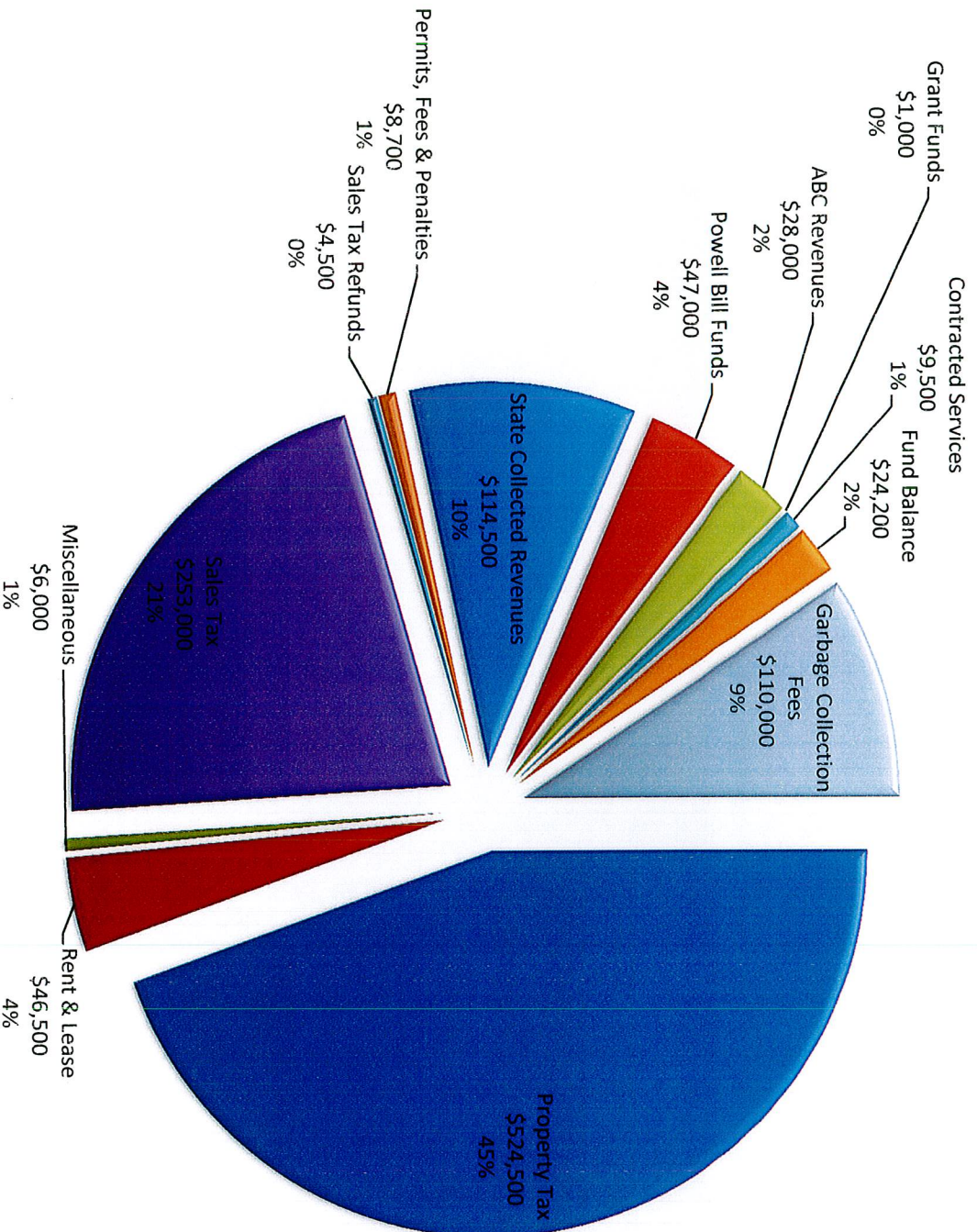
General Fund Budgets Over Time*



* Figures reflect budget amounts originally adopted and do not account for any budget amendments.

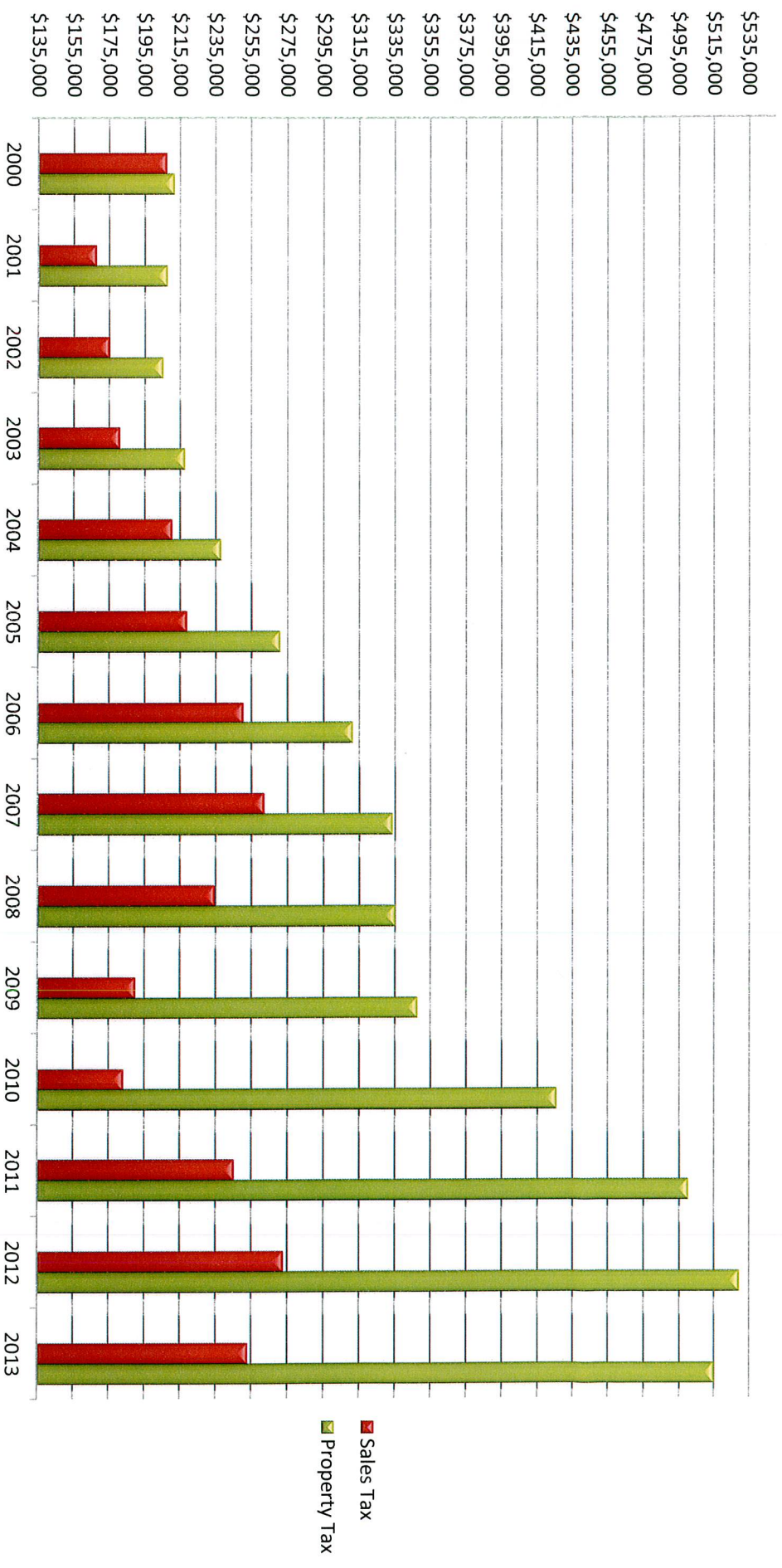
APPENDIX E

General Fund Revenues

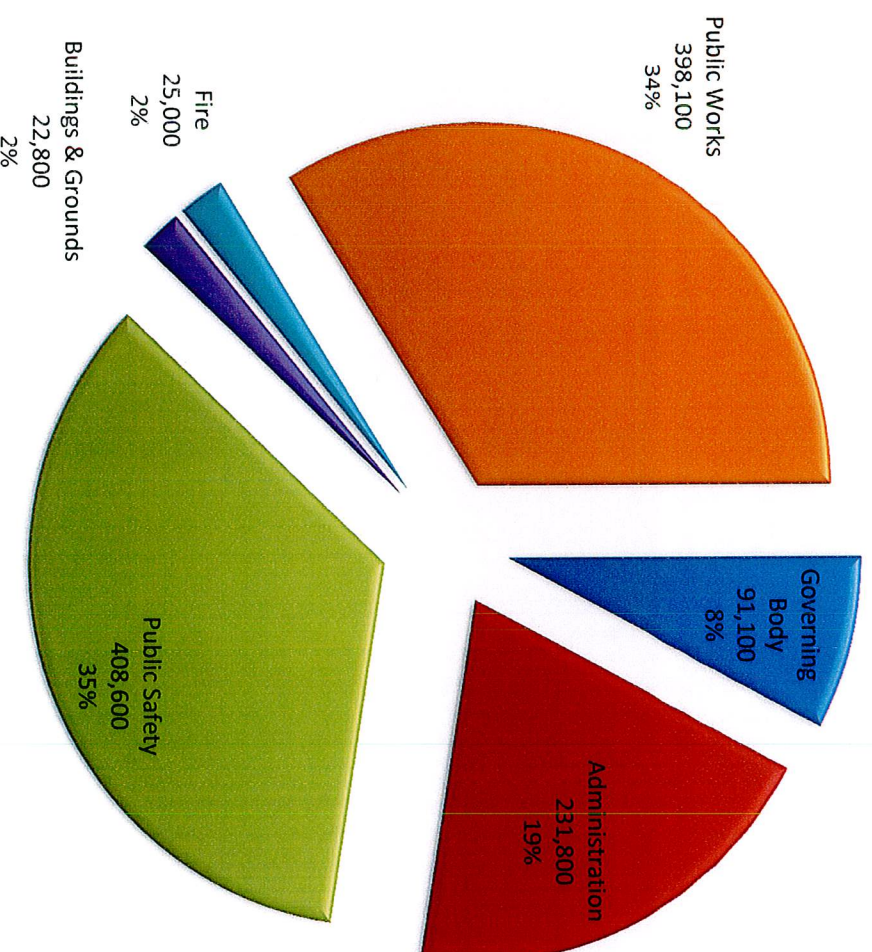


APPENDIX F

Sales Tax Revenue versus Property Tax Revenue



General Fund Expenditures



- Governing Body
- Administration
- Public Safety
- Buildings & Grounds
- Fire
- Public Works

APPENDIX H

2013 Departmental Budget Requests

Department	Item Description	Quantity	Unit Cost	Financing		Annual Cost	Total Cost
				Terms			
Administration	NOVUS Paperless Agenda	1	\$4,200			\$4,200	\$4,200
	Fireproof Filing Cabinet	1	\$1,060				\$1,060
	Replace/Install Safety Code Locks	5	\$1,033				\$5,165
	Subtotal		\$7,500				\$10,425
Public Safety	2012 Dodge Charger Pursuit Vehicle Equipment (radio, light bar etc)	1	\$22,181				\$22,181
	In-car Camera System	1	\$7,400				\$7,400
	800 Mhz Car Radios	5	\$3,500				\$3,500
	Replace Chief Vehicle	1	\$12,000				\$15,000
	Subtotal		\$48,081				\$60,081
Public Works	New Computer	1	\$1,200				\$1,200
	Power Tool Combo Kit	1	\$620				\$620
	Subtotal		\$1,820				\$1,820
TOTAL			\$57,401				\$72,326

APPENDIX I

Anticipated Recurring Capital Expenditures

[illegible]

CAPITAL PROJECT ORDINANCE

BE IT ORDAINED by the Governing Board of the Town of Richlands, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The project authorized is the installation of approximately 1,000 linear feet of sidewalk located along a portion of Wilmington Street (S.R. 1003) in Richlands. The project will be administered by the Town of Richlands through a work agreement between the NC Department of Transportation and the Town of Richlands.

Section 2. The officers of this unit are hereby directed to proceed with the capital project within the terms of the budget contained herein.

Section 3. The following amounts are appropriated for the project:

Design & Administration	\$ 20,000
Construction	<u>\$ 30,000</u>
	\$ 50,000

Section 4. The following revenues are anticipated to be available to complete this project:

NCDOT Enhancement Grant Funds	<u>\$ 50,000</u>
	\$ 50,000

Section 5. The Finance Officer is directed to report, on a quarterly basis, on the financial status of each project element in Section 3.

Section 6. The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this capital project in every budget submission made to this Board.

Section 7. Copies of this capital project ordinance shall be furnished to the Clerk to the Governing Board, and to the Budget Officer and the Finance Officer for direction in carrying out this project.

Adopted this 12th day of June, 2012.


McKinley Smith, Mayor

ATTEST:


Doreen Putney, Clerk